

HealthSouth To Build Hospital In Franklin, Tennessee

PR Newswire
BIRMINGHAM, Ala.

BIRMINGHAM, Ala., Oct. 23, 2014 /PRNewswire/ -- HealthSouth Corporation (NYSE: HLS) today announced that the Tennessee Court of Appeals has affirmed the order approving its certificate of need to build a 40-bed inpatient rehabilitation hospital in Franklin, Tennessee.

"We are pleased that the decision of the Health Services and Development Agency in Tennessee to approve our certificate of need application has been upheld," said HealthSouth Central Region President Barbara Jacobsmeyer. "This new hospital emphasizes our continued focus on disciplined growth and complements our existing presence in Tennessee."

HealthSouth currently operates six inpatient rehabilitation hospitals throughout Tennessee, including Vanderbilt Stallworth Rehabilitation Hospital, a joint venture with Vanderbilt University Medical Center (VUMC). We are in discussions with VUMC to determine if this new hospital may present the opportunity to expand our relationship with VUMC.

"Vanderbilt University Medical Center has had a long-term, positive relationship of more than 20 years with HealthSouth through our partnership in Vanderbilt Stallworth Rehabilitation Hospital," said Laura Beth Brown, Vice President of Vanderbilt Health Services and President of Vanderbilt Home Care Services. "Through our Department of Physical Medicine & Rehabilitation, we are growing programs, services and patient volumes in areas that would align with the additional space and opportunities created through this new hospital, and we are currently exploring options with HealthSouth for how we might work together toward the goal of increasing services to the citizens of Williamson and surrounding counties."

Construction on the approximately 49,000-square foot hospital is expected to begin in the fourth quarter of 2014. Located at the intersection of Edward Curd Lane and Physician's Way, the 40-bed hospital will provide patients with access to specialized rehabilitation programs and innovative equipment and technology, including electronic medical records, and is expected to be operational in the fourth quarter of 2015. The development of the inpatient rehabilitation hospital is expected to represent an approximately \$23 million investment in the community and, once fully operational, generate approximately 100 new, full-time jobs.

About HealthSouth

HealthSouth is the nation's largest owner and operator of inpatient rehabilitation hospitals in terms of patients treated and discharged, revenues, and number of hospitals. Operating in 28 states across the country and in Puerto Rico, HealthSouth serves patients through its network of inpatient rehabilitation hospitals, outpatient rehabilitation satellite clinics, and home health agencies. HealthSouth's hospitals provide a higher level of rehabilitative care to patients who are recovering from conditions such as stroke and other neurological disorders, cardiac and pulmonary conditions, brain and spinal cord injuries, complex orthopedic conditions, and amputations. HealthSouth can be found on the Web at www.healthsouth.com.

Forward-Looking Statements

Statements contained in this press release which are not historical facts, such as those relating to the likelihood, timing and effects of the completion of this project, are forward-looking statements. In addition, HealthSouth may from time to time make forward-looking public statements concerning the matters described herein. All such estimates, projections, and forward-looking statements speak only as of the date hereof, and HealthSouth undertakes no duty to publicly update or revise such statements, whether as a result of new information, future events, or otherwise. Such forward-looking statements are necessarily estimates based upon current information and involve a number of risks and uncertainties. HealthSouth's actual results or events may differ materially from those anticipated in these forward-looking statements as a result of a variety of factors. While it is impossible to identify all such factors, factors which could cause actual results or events to differ materially from those anticipated include, but are not limited to, the regulatory review and approval process, any adverse outcome of various lawsuits, claims, and legal or regulatory proceedings that may be brought by or against the Company, including further challenges to the award of a certificate of need for this project; the possibility that this project will experience unexpected delays; the ability to successfully complete and integrate this project consistent with HealthSouth's growth strategy, including realization of anticipated revenues, cost savings, and productivity improvements arising from the related operations and avoidance of unforeseen exposure to liabilities; changes in the regulation of the healthcare industry at either or both of the federal and state levels; competitive pressures in the healthcare industry and HealthSouth's response thereto; the ability to integrate this hospital into the existing partnership with VUMC; this hospital's ability to maintain proper local, state and federal licensing; potential disruptions, breaches, or other incidents affecting the proper operation, availability,

or security of HealthSouth's information systems, including the unauthorized access to or theft of patient or other sensitive information; the ability to attract and retain nurses, therapists, and other healthcare professionals in a highly competitive environment with often severe staffing shortages and the impact on HealthSouth's labor expenses from potential union activity and staffing shortages; changes, delays in (including in connection with resolution of Medicare payment reviews or appeals), or suspension of reimbursement for HealthSouth's services by governmental or private payors; general conditions in the economy and capital markets; and other factors which may be identified from time to time in HealthSouth's SEC filings and other public announcements, including HealthSouth's Form 10-K for the year ended December 31, 2013 and Form 10-Q for the quarters ended March 31, 2014 and June 30, 2014.

Media Contact:

Casey Lassiter, 205-410-2777
casey.lassiter@healthsouth.com

Investor Relations Contact:

Mary Ann Arico, 205-969-6175
maryann.arico@healthsouth.com

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